

Single Touch Payroll

A decorative graphic consisting of several overlapping, wavy horizontal bands in shades of green and blue, spanning the width of the slide.

Client Engagement Strategy

Presented by:

Marilena Bressan, Director STP Client Engagement, Australian Taxation Office

Amanda Gascoigne, Head Consultant, Amanda Gascoigne Consulting

16 November 2017

Context

- › The ATO will receive a continuous, almost daily flow of payroll records - over 500 million payroll records per year
- › The data you report from your payroll provides a view at a point in time, and then changes with your next payroll event
- › We expect you will correct things from time to time – either in the next payroll period or when you do a reconciliation for your Activity Statement
- › There will also be instances where a report would show unusual things like a superannuation liability but no payroll data

Context

- › We will try to prompt or help you when we see significant anomalies not easily explained
- › There will be no penalties applied for the first 12 months, but you should still try to get things right so your compliance record is sound
- › We do expect that regular reporting will create a level playing field for all employers and help the ATO detect and deter non-compliance.

What does Single Touch Payroll mean for reporting

Employers report on their payroll event

Payroll cycles are weekly, fortnightly, monthly and some adhoc.

| Payroll Events | |
|----------------|------------------|
| Payroll Cycle | No. of Employers |
| Weekly | 251,556 |
| Fortnightly | 503,112 |
| Monthly | 83,852 |
| Total | 838,520 |

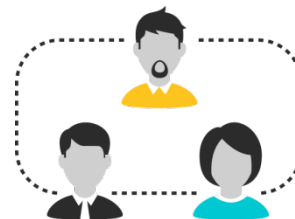
Increased data volumes

We expect the number of reporting events to jump to over 25 million per year - not just 'more data', but more client interactions.

| Entity | 4-weekly | Annual |
|-----------|----------|-----------|
| Employers | 2.1(m) | 25.2 (m) |
| Employees | 41.9(m) | 502.9 (m) |

What does the ATO expect from you?

- › You begin reporting Single Touch Payroll in a timely manner
- › You maintain a good reporting and payment record for PAYGW and SG (including timely payment to super funds)
- › You engage with the ATO in a timely and constructive manner when the ATO contacts you
- › You do not engage in any fraudulent activity regarding your PAYGW or SG commitments



How will the ATO provide a good client experience?

By focusing on a positive engagement experience - drawing on learnings from overseas and best practices - we will:

- › Tailor the client experience based on your past engagement and compliance history (risk rating)
- › Provide you with responses to significant issues we detect as close to real-time as possible
- › Use automated treatments wherever possible - ranging from reminders and nudges to more directive interventions where needed
- › Share treatment responses with both you and your permissioned intermediaries
- › Focus on longer-term patterns more than individual pay event anomalies
- › Use analytics to systematically detect and discover non-compliant behaviour so that it can be dealt with firmly.

How we will tailor your experience

We will tailor our engagement to your behaviours over time



Poor Compliers - Red Lane

We will apply the law firmly and fairly to your non-compliance behaviours, while responding to indicators of positive engagement by providing help and assistance where that is warranted.

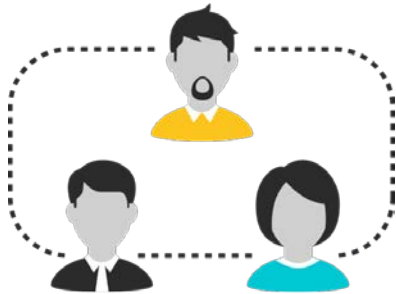
Help and Assist - Orange Lane

We will provide tailored support and assistance to help you meet your obligations with the larger aim of helping you move towards the ATO's target engagement behaviours.

High Trust - Green Lane

We will encourage and support you in maintaining a good client experience with the lightest touch possible.

Working with the ATO



Client Engagement Strategy



Expectations of the ATO



Value of the Focus Groups